

Cabot Norit Activated Carbon Awarded New Contract for Mercury Removal Solution

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Midwestern U.S. Electric Utility to Utilize Cabot's DARCO[®] Hg Family of Mercury Control Products to Address EPA's Mercury and Air Toxics Standard (MATS) Mandate

BOSTON--(BUSINESS WIRE)--Jan. 27, 2014-- <u>Cabot Corporation</u> (NYSE: CBT) announced that it has entered into a contract to provide its <u>DARCO®</u> <u>Hg</u> family of activated carbon products to a large Midwestern power generator in the U.S. While Cabot currently supplies activated carbon to many utilities for compliance with certain state-based regulations, this is believed to be the first contract awarded in the market for compliance with the federal Mercury and Air Toxics Standard (MATS) as the industry prepares for this regulation to take effect in April 2015. The contract is valued at up to \$8 million and will allow the utility to meet stringent federal regulations for mercury emissions.

Mercury is released into boiler flue gas when coal is burned to generate electricity. With over 50 percent of mercury emissions in the U.S. coming from coal-fired power plants, the U.S. Environmental Protection Agency (EPA) has issued regulatory mandates that are scheduled to become effective in April 2015. Specifically, the MATS regulation establishes power plant emission limits for mercury and other toxic pollutants. As a result of these mandates, about 90 percent of the mercury emitted by coal-fired power plants will be captured instead of released into the air. Based on numerous Department of Energy and EPA sponsored tests and customer trials, Cabot's DARCO Hg family of powdered activated carbon has proven to be a highly effective solution to reduce mercury emissions.

Under this contract that begins in 2015, Cabot will supply DARCO Hg, DARCO Hg-LH and DARCO Hg-LH Extra powdered activated carbon products to be used for 100 percent of this utility's requirements at thirteen boilers in the Midwestern utility's service area through 2016. With the addition of this contract, Cabot's DARCO Hg family of products for mercury control has been selected for use in over 70 units throughout the U.S. and Canada.

"With the MATS implementation date approaching, contracting activities for activated carbon are accelerating and we are pleased to have been awarded this contract," said Bart Kalkstein, vice president and general manager, Global Emission Control Technologies, Cabot Purification Solutions. "Our DARCO Hg family of products was chosen over competitors due to our superior product performance, the security of our supply and the strength and reputation of our company. Cabot has made significant investments in developing our new lignite mine in Texas and capacity expansion permits to ensure that we continue to be the partner of choice for the coal-fired utility industry in meeting these new regulations."

Cabot Norit Activated Carbon is recognized as the world's technology leader in mercury removal from flue gas. Cabot commercially supplies its DARCO Hg family of products, the leading suite of activated carbon products for mercury removal, to treat the mercury emitted from numerous coal-fired utilities that rely on activated carbon to meet current state and provincial regulations. Combined with Cabot's technical expertise, the DARCO Hg family of products help customers achieve the lowest total cost of mercury removal.

ABOUT CABOT CORPORATION

Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of <u>rubber</u> and <u>specialty carbons</u>, <u>activated carbon</u>, <u>inkjet colorants</u>, <u>cesium formate drilling fluids</u>, <u>fumed silica</u>, <u>aerogel</u>, and <u>elastomer composites</u>. For more information on Cabot, please visit the company's website at: <u>http://www.cabotcorp.com</u>.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in the press release regarding Cabot's business that are not historical facts are forward looking statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

Source: Cabot Corporation

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